

**DATE:** April 25, 2017

**TO:** Todd Wyett, Chairman  
State Transportation Commission

**FROM:** Kirk T. Steudle  
Director

**SUBJECT: Waiver of Commission Approval**

The project and description documented in Exhibit A-1, attached, will be let by the Michigan Department of Transportation on May 5, 2017. This project requires pre-approval as the engineers' estimate is over \$500,000. The approximate four-week delay resulting if Commission pre-approval were deferred to the next State Transportation Commission meeting on May 18, 2017, would delay the transmittal of the contract documents to the low bidder, and jeopardize the construction schedule.

The project and description documented in Exhibit A-2, attached, was let by the Michigan Department of Transportation on March 3, 2017. This project requires pre-approval as the engineers' estimate is over \$500,000, however the low bid received was more than 10% over the engineers' estimate and therefore require approval by the State Transportation Commission. The approximate four-week delay resulting if Commission approval was deferred to the next State Transportation Commission meeting on May 18, 2017, would delay the transmittal of the contract documents to the low bidder, and jeopardize the construction schedule.

Thus, a waiver of the required Commission approval is requested, as provided in Commission Resolution 79-3, as amended, footnote F:

"If, in the opinion of the Director, the public interest requires that a certain contract be awarded or an agreement be executed prior to approval by the Commission, hereunder, the Director shall seek a waiver of the required approval from the Chairman of the Transportation Commission. If the request of the approval is verbal, the waiver shall be confirmed, in writing, within fourteen (14) days."

If the waiver is granted, the Department will proceed to execute the items noted above.

*Signed Copy on File*

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Director

The request for waiver of Commission approval of the above mentioned item is approved.

*Signed Copy on File*

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Todd Wyett, Chairman

*April 28, 2017*

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Date

REQUEST FOR MICHIGAN STATE TRANSPORTATION

COMMISSION APPROVAL

BID LETTING PRE-APPROVAL

April 25, 2017

The following contracts are being submitted for approval.

**STATE PROJECT**

- |    |                                    |                         |
|----|------------------------------------|-------------------------|
| 1. | Letting of May 5, 2017             | Prequalification Level: |
|    | Letting Call: 1705 072             | <b>\$915,000.00</b>     |
|    | Project: M 82141-M71780            |                         |
|    | Local Agreement:                   |                         |
|    | Start Date: 10 days after award    |                         |
|    | Completion Date: September 1, 2017 |                         |

6.23 mi of maintenance repairs of drainage structures including drainage structure lead cleaning and curb and gutter replacement on M-102 (8 Mile Road) from M-39 (Southfield Freeway) to I-75 in the cities of Detroit, Southfield, Oak Park, Ferndale and Hazel Park, Wayne County.

0.00 % DBE participation required

On receipt of your approval, projects will, at the Director's discretion, be processed and awarded to the low bidder. I approve the projects described in this agenda and authorize the award by the responsible management staff of MDOT to the extent authorized by and in accordance with the December 14, 1983, resolution of the State Transportation Commission and the Director's delegation memorandum of June 6, 2016.

Respectfully submitted,

*Signed Copy on File*

Kirk T. Steudle  
Director

REQUEST FOR MICHIGAN STATE TRANSPORTATION  
COMMISSION APPROVAL  
LETTING EXCEPTIONS AGENDA

April 25, 2017

The following contracts are being submitted for approval.

**STATE PROJECT**

- |    |                                   |                                  |
|----|-----------------------------------|----------------------------------|
| 1. | Letting of March 3, 2017          | Low Bid: <b>\$605,170.21</b>     |
|    | Letting Call: 1703 052            | Engineer Estimate: \$507,030.20  |
|    | Project: NH 21022-128707          | Pct Over/Under Estimate: 19.36 % |
|    | Local Agreement:                  |                                  |
|    | Start Date: July 24, 2017         |                                  |
|    | Completion Date: October 13, 2017 |                                  |

2.45 mi of microsurfacing, hot mix asphalt cold milling and resurfacing, turn lane improvements and pavement markings on US-2 from north of 30th Street to north of Danforth Road in the city of Escanaba, Delta County. This project includes a 3-year materials and workmanship pavement warranty and a 2-year pavement performance warranty.

0.00 % DBE participation required

Bidder	As-Submitted	As-Checked	
<b>Pavement Maintenance Systems, LLC</b>	<b>\$605,170.21</b>	<b>Same</b>	<b>1 **</b>
NY-Mac Enterprises, Inc.	\$560,612.42	Same	WD

Total Number of Bidders: 2

On receipt of your approval, projects will, at the Director's discretion, be processed and awarded to the low bidder. I approve the projects described in this agenda and authorize the award by the responsible management staff of MDOT to the extent authorized by and in accordance with the December 14, 1983, resolution of the State Transportation Commission and the Director's delegation memorandum of June 6, 2016.

Respectfully submitted,

*Signed Copy on File*

Kirk T. Steudle  
Director

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## OFFICE MEMORANDUM

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**DATE:** April 25, 2017

**TO:** State Transportation Commission

**FROM:** Jack Cotter, CPA, CGMA  
Commission Auditor  
Office of Commission Audits

**SUBJECT:** Justification Memorandum

Attached for your information is the department's revised justification memorandum for an Exhibit A-2 item where the low bid exceeded the engineer's estimate by more than ten percent.

*Signed Original on File*

Jack Cotter, CPA, CGMA  
Commission Auditor

Attachment

cc: P. Browne  
M. Holyfield

**REVISED**

**DATE:** April 20, 2017

**TO:** Myron G. Frierson, Director  
Bureau of Finance and Administration

**FROM:** Bradley C. Wieferich, Director  
Bureau of Development

**SUBJECT:** Justification Memo for Bid Acceptance in Excess of 10 Percent of Engineer's Estimate

Letting Date: March 3, 2017

Project Description: 2.45 mi of microsurfacing, hot mix asphalt cold milling and resurfacing, turn lane improvements and pavement markings on US-2 from north of 30<sup>th</sup> Street to north of Danforth Road in the city of Escanaba, Delta County.

Project Number: 21022-128707

Item Number: 1703 052

Low Bidder: Pavement Maintenance Systems, LLC

Eng. Est: \$507,030.20      Low Bid: \$605,170.21      Difference: \$98,140.01      Percent: 19.36

The following shows the engineer's estimate and the proposed bids received for this project:

Engineer's Estimate	\$ 507,030.20
Pavement Maintenance Systems, LLC	\$ 605,170.21

**EXPLANATION FOR DIFFERENCES**

The low bidder had unit prices that varied from the normal range. The main items found to be higher than the engineer's estimate were drainage structure cover adjust; cold milling hot mix asphalt surface; hand patching; micro-surface warranty; and minor traffic devices. These items were bid higher than normal due to small quantities, night work, and staging. In order to maintain acceptable mobility on the main route, all lane closures are limited to night time only due to high volumes of day time traffic. Additionally, the drainage structure cover adjust and hand patching are small quantities and production is limited when completed at night. Although the maintaining traffic and pavement marking special provision did not include stages, the log of project has a specific order of work the contractor will need to follow. This will affect the short timeline needed to complete the micro-surfacing (July 24 to September 1, 2017), including the preliminary items drainage structure cover adjust, cold milling hot mix asphalt surface, and hand patching which need to be complete prior to the micro-surfacing. The

estimator considered these factors when estimating this project, but was unable to precisely predict the unit prices.

### **OVERALL CONCLUSION**

As indicated in the above analysis, the low bid is over the engineer's estimate because of small quantities, night work, and staging. This project received one bid. We believe that rejecting this bid and re-letting this project will not result in lower bids and the low bid should be considered reasonable based on the factors discussed.

The Bureau of Development and the Escanaba TSC request that this project be awarded to the low bidder based on the above conclusion.

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Director, Bureau of Development

BOD:DD:QA:SF:jh

cc:	K. Steudle	K. Curtis	H. Stinson	S. Thurman	MDOT-eProposal
	L. Strzalka	M. Shulick	K. Farlin	K. Schuster	M. Van Port Fleet
	J. Cotter	S. Fedders	B. Rottiers	J. Gutting	C. Rademacher
	D. Bradley	D. Kari	M. Maloney	A. Johnson	R. Worgess-Carveth